GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3544
ANSWERED ON:07.08.2002
STD/IST CALL RATES
NAWAL KISHORE RAI;SUSHIL KUMAR INDORA

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether national and international telephone call rates in India are more in comparison to other countries especially America;

(b) if so, the facts in this regard;

(c) the reasons for higher rates in India; and

(d) whether telephone rates in India will be brought at par in comparison to other countries in near future?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI S MAHAJAN)

(a) & (b) : The power of fixing tariffs for telecom services in India is mandated to the Telecom regulatory Authority of India(TRAI) as per TRAI Act, 1997, as amended by TRAI (Amendment) Act,2000As intimated by TRAI, it is difficult to compare national and international call rates in India with those in other countries. Telecom tariffs vary substantially between developing and developed countries depending upon the teledensity of the country concerned. Comparison is rendered difficult because of different tariff packages in the tariff scheme, varying exchanged rates, and difference in purchasing power and teledensities across countries.

(c) & (d) : Historically, long distance tariffs have subsidized basic services i.e., rental and local charges in developing countries, in the interest of affordability of the latter. During 1999, TRAI initiated the process of tariff re-balancing. The first phase of tariff re-balancing for basic services was implemented on 1ST May 1999 and the third phase oftariff re-balancing was notified by TRAI on 14TH March 2002. STD and ISD charges have been reduced by 48% and 56% respectively over the three years.In addition to this, due to increased competition in both STD/IST service markets, the tariffs have come down by 62% in case of STD and up to 40% in case of ISD compared to those notified by TRAI.